

STATE OF NEVADA
GAMING CONTROL BOARD
TAX AND LICENSE DIVISION
1919 E. College Parkway, P.O. Box 8004, Carson City, NV 89702
(775) 684 - 7770
555 E. Washington Ave., Suite 2300, Las Vegas, NV 89101
(702) 486 - 2008

STANDARD FINANCIAL STATEMENTS

FOR FISCAL YEAR ENDED: JUNE 30, _____

FOR

SLOT MACHINE ROUTE OPERATOR LICENSEES

FILING DEADLINE: September 15, _____

Authority: NRS Chapter 463 and NGC-GCB Regulation 6

STATE GAMING CONTROL BOARD
STANDARD FINANCIAL STATEMENTS
for
SLOT ROUTE OPERATORS
GENERAL INSTRUCTIONS

1. Monetary amounts are to be rounded to the nearest dollar.
2. Allocations should be based on the number of slot machines if specific expenses can not be identified between the different types of route operations. Between route and non-route operations any reasonable method of allocation can be used as long as it is supported by the appropriate detail for examination by Board auditors.

BALANCE SHEET

3. **Cash** includes all of the slot operator's coin in slot machine hoppers.
4. **Bucket sales - notes receivable** includes all sales of slot machines where payments toward the purchase of slot machines are made through slot participation agreements.
5. **Prepaid space lease obligations** include all payments of rents made in advance to satisfy future space lease commitments.
6. **Location acquisition costs** include incentive payments or other lump sum disbursements made to third parties in connection with the acquisition of a route location.
7. **Contract acquisition costs** include lump sum payments to obtain management rights at route locations from another slot route operator (SRO).
8. **Equipment under capital lease** and **Capital lease obligations** include all capital lease commitments for equipment (including gaming devices), vehicles, buildings, etc.
9. **Other long-term liabilities** should include deferred income taxes.

INCOME STATEMENT

10. **Complimentaries** are to be reported at the rate the locations are reimbursed by the route operator.
11. **Location revenue share** is the percentage of gaming win paid to locations, not including slot space lease payments. NOTE: One hundred percent of slot machine revenue is to be reported as win in these statements. **Bucket sales** are not deducted in the calculation of win.
12. **Rent** includes those payments made toward office rent. This classification does not include space lease payments, which should be included under **space lease expenses**.
13. In some locations one slot route operator may be the owner of the location or may have space lease rights to the location ("the primary operator"), but a secondary slot route operator is responsible for the drops, fills, jackpots, machine maintenance, etc. (i.e., there is both a SRO participation and a space lease at one location). The secondary SRO may receive either a percentage of win or a fixed fee for the services provided under the participation agreement. Whether the secondary SRO receives a percentage split or a fixed fee, this SRO should treat this operation as a routine participation location for reporting purposes. The results of operations should be included on schedules B-2 or B-4 as applicable. The primary SRO should report only their share of win under **participation win** on schedules B-1 or B-3. The primary SRO should show no drop, jackpots, or fills in these statements.
14. **Interest income** and **other non-operating income** on Schedule B includes interest income, dividends, investment income, etc.
15. Slot route revenues for Schedules B-1 through B-4 should generally be the same as those reported on the NGC-36 forms (NGC 34 forms for periods prior to July 1991).
16. Questions regarding these statements should be directed to:

**GAMING CONTROL BOARD
TAX AND LICENSE DIVISION**
1919 E. College Parkway, P.O. Box 8004, Carson City, NV 89702-8004
(775) 684 - 7770

STATE GAMING CONTROL BOARD
STANDARD FINANCIAL STATEMENTS
FOR
SLOT ROUTE OPERATORS
QUESTIONNAIRE

1. If these statements cover a period of less than one year, list the starting date _____, _____ and ending date _____, _____.

2. This report was prepared by the:

Cash method for gaming, accrual method for other than gaming

Cash method

Accrual method

Other (describe) _____

3. To whom should inquiries for additional information be directed?

Name _____

Position with business _____

Address _____

City _____ State _____ Zip Code _____

Telephone: Area Code _____ Number _____

4. Independent accountants:

Firm Name _____

Individuals Name _____

Position with firm _____

Address _____

City _____ State _____ Zip Code _____

Telephone: Area Code _____ Number _____

5. Did your CPA prepare or review these financial statements? Yes _____, No _____

6. I, the undersigned, certify that, to the best of my knowledge and belief, these Standard Financial Statements are correct and complete; and that the records and methods of operation, upon which the statements are based, are maintained in accordance with the regulations of the State Gaming Control Board and the Nevada Gaming Commission.

Name (*type or print*) _____

Title (*type or print*) _____

Signature _____

(Controller or other corporation officer or owner)

STATE GAMING CONTROL BOARD

STANDARD FINANCIAL STATEMENTS
FOR
SLOT ROUTE OPERATORSSCHEDULE A
BALANCE SHEET
ASSETS

(Round Amounts to the Nearest Dollar)

<u>CURRENT ASSETS</u>	Slot Route Operations	Non-Slot Route Operations	Combined Total
Cash.....			
Short term investments.....			
Receivables:			
Accounts receivable.....			
Bad debt allowance.....	()	()	()
Current portion of notes re- ceivable - loans to licensees.....			
Bad debt allowance.....	()	()	()
Current portion of notes re- ceivable - bucket sales.....			
Bad debt allowance.....	()	()	()
Current portion of notes re- ceivable - other.....			
Bad debt allowance.....	()	()	()
Inventories:			
Slot machines - work in progress and finished goods.....	N/A		
Spare parts.....			
Other inventories.....			
Prepaid expenses.....			
Other current assets.....			
TOTAL CURRENT ASSETS....			
<u>NONCURRENT ASSETS</u>			
Property and equipment:			
Land.....			
Building & improvements.....			
Furniture, fixtures & equipment....			
Equipment under capital lease.....			
Gaming & casino operations equipment.....			
Leasehold improvements.....			
Construction in progress.....			
Other.....			
Total Property & Equipment.....			
Less: Accumulated depreciation and amortization.....	()	()	()
Net property and equipment.....			

STATE GAMING CONTROL BOARD
STANDARD FINANCIAL STATEMENTS
FOR
SLOT ROUTE OPERATORS

SCHEDULE A
BALANCE SHEET
ASSETS (continued)

(Round Amounts to the Nearest Dollar)

<u>NONCURRENT ASSETS (Continued)</u>	<u>Slot Route Operations</u>	<u>Non-Slot Route Operations</u>	<u>Combined Total</u>
Notes Receivable:			
Loans to locations.....			
Bucket sales.....			
Other.....			
Total Notes Receivable.....			
Intangibles:			
Location acquisition costs, net.....			
Prepaid space lease obligations, net.....			
Contract acquisition costs, net.....			
Goodwill.....			
Other.....			
Total Intangibles.....			
Other noncurrent assets:			
Investments.....			
Deposits.....			
Miscellaneous.....			
Total Other Noncurrent Assets.....			
TOTAL ASSETS.....			

STATE GAMING CONTROL BOARD
STANDARD FINANCIAL STATEMENTS
FOR
SLOT ROUTE OPERATORS

SCHEDULE A
BALANCE SHEET
LIABILITIES & EQUITY

(Round Amounts to the Nearest Dollar)

<u>CURRENT LIABILITIES</u>	Slot Route Operations	Non-Slot Route Operations	Combined Total
Draws on bank line of credit.....			
Current maturities of long-term liabilities.....			
Accounts payable.....			
Accrued expenses.....			
Other current liabilities (including federal income tax liabilities).....			
Total Current Liabilities.....			
<u>Long-term liabilities (Schedule A-1)</u>			
Capital lease obligations.....			
Long-term notes.....			
Debentures and bonds.....			
Mortgages.....			
Other long-term liabilities.....			
Total Long-term Liabilities.....			
Intercompany receivables/payables balance.....			
TOTAL LIABILITIES.....			
<u>EQUITY</u>			
Capital accounts (other than corporations).....			
Capital stock and other capital (for corporations).....			
Retained earnings.....			
TOTAL EQUITY.....			
TOTAL LIABILITIES & EQUITY....			

STATE GAMING CONTROL BOARD

STANDARD FINANCIAL STATEMENTS
FOR
SLOT ROUTE OPERATORS

SCHEDULE A-1
DEBT SCHEDULE

(Round Amounts to the Nearest Dollar)

NAME OF CREDITOR AND AFFILIATION WITH LICENSEE	Original Date	Maturity Date	Interest Rate	Original Amount	Amount Still Owing
Capital Lease Obligations:					
Total Capital Lease Obligations.....					*
Long-Term Notes:					
Total Long-Term Notes.....					*
Debentures and Bonds:					
Total Debentures and Bonds.....					*

* Should balance with totals reflected under long-term liabilities on Balance Sheet (Schedule A).

STATE GAMING CONTROL BOARD
STANDARD FINANCIAL STATEMENTS
FOR
SLOT ROUTE OPERATORS

SCHEDULE A-1 (Continued)
DEBT SCHEDULE

(Round Amounts to the Nearest Dollar)

NAME OF CREDITOR AND AFFILIATION WITH LICENSEE	Original Date	Maturity Date	Interest Rate	Original Amount	Amount Still Owing
Mortgages:					
Total Mortgages.....					*
Other Long-Term Liabilities:					
Total Other Long-Term Liabilities.....					*

* Should balance with totals reflected under long-term liabilities on Balance Sheet (Schedule A).

STATE GAMING CONTROL BOARD
STANDARD FINANCIAL STATEMENTS
FOR
SLOT ROUTE OPERATORS

SCHEDULE B
INCOME STATEMENT

(Round Amounts to the Nearest Dollar)

INCOME (CONTINUING OPERATIONS)

Operating income from restricted space lease locations (Schedule B-1).....	_____
Operating income from restricted participation operations (Schedule B-2).....	_____
Operating income from nonrestricted space lease locations (Schedule B-3).....	_____
Operating income from nonrestricted participation operations (Schedule B-4).....	_____
All Other Operating Income (Schedule B-5).....	

Total Operating Income.....	_____
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GENERAL AND ADMINISTRATIVE EXPENSES

Advertising and promotion.....	_____
Amortization and depreciation.....	_____
Interest expense.....	_____
Payroll - officers and owners.....	_____
Payroll - other employees.....	_____
Payroll taxes and employee benefits.....	_____
Rent.....	_____
Other general and administrative expenses.....	_____

Total General and Administrative Expenses.....	_____
Net Income/(Loss) Before Income Taxes and Other Items.....	_____
Interest Income and Other Non-operating Income.....	_____
Income Taxes (If applicable).....	_____
Net Gain or (Loss) on Discontinued Operations (Net of taxes).....	_____
Net Gain or (Loss) from Extraordinary Items (Net of taxes).....	_____
Other Gains and (Losses) (Net of taxes).....	_____
NET INCOME/(LOSS).....	=====

STATE GAMING CONTROL BOARD
STANDARD FINANCIAL STATEMENTS
FOR
SLOT ROUTE OPERATORS

SCHEDULE B-1
INCOME STATEMENT
RESTRICTED SPACE LEASE LOCATIONS

(Round Amounts to the Nearest Dollar)

REVENUE

Total drop.....	_____	
Less Jackpots and machine fills (Other than initial fills).....	_____	
Win.....	_____	_____
Participation win (Where another SRO operates the location).....	_____	_____
TOTAL WIN (REVENUE).....	_____	_____

DIRECT OPERATING EXPENSES

Direct labor and payroll taxes.....	_____	
Gaming licenses & taxes - Nevada (Annual).....	_____	
Gaming licenses & taxes - Nevada (Quarterly).....	_____	
Gaming licenses & taxes - County.....	_____	
Gaming licenses & taxes - Local.....	_____	
Licenses & taxes - Other.....	_____	
Space lease expenses.....	_____	
Direct maintenance (parts and service).....	_____	
Vehicles, maintenance and fuel.....	_____	
Complimentaries.....	_____	
Other direct operating expenses.....	_____	
Total Direct Operating Expenses.....	_____	_____
OPERATING INCOME/(LOSS).....	_____	=====

STATE GAMING CONTROL BOARD
STANDARD FINANCIAL STATEMENTS
FOR
SLOT ROUTE OPERATORS

SCHEDULE B-2
INCOME STATEMENT
RESTRICTED PARTICIPATION LOCATIONS

(Round Amounts to the Nearest Dollar)

REVENUE

Total drop.....	_____	
Less: Jackpots and machine fills (Other than initial fills).....	_____	
Win before location share.....	_____	_____
Less: Location's revenue share.....	_____	_____
NET WIN (REVENUE).....	_____	_____

DIRECT OPERATING EXPENSES

Direct labor and payroll taxes.....	_____	
Gaming licenses & taxes - Nevada (Annual) - Route operator's share.....	_____	
Gaming licenses & taxes - Nevada (Quarterly) - Route operator's share.....	_____	
Gaming licenses & taxes - County - Route operator's share.....	_____	
Gaming licenses & taxes - Local - Route operator's share.....	_____	
Licenses and taxes - other.....	_____	
Space lease expenses.....	_____	
Direct maintenance (parts and service).....	_____	
Vehicles, maintenance and fuel.....	_____	
Complimentaries.....	_____	
Other direct operating expenses.....	_____	
Total Direct Operating Expenses.....	_____	_____
OPERATING INCOME/(LOSS).....	_____	_____

BUCKET SALES INFORMATION*

Cash received from "bucket sales".....	_____
Number of machines under "bucket sale" contracts.....	_____

*In some cases a portion of the above "net win" received by the operator may be percentage splits to be applied towards the purchase of slot machines sold by the operator. Indicate here the portion of net revenues received from "bucket sales", and the number of machines under bucket sales contracts.

STATE GAMING CONTROL BOARD
STANDARD FINANCIAL STATEMENTS
FOR
SLOT ROUTE OPERATORS

SCHEDULE B-3
INCOME STATEMENT
NONRESTRICTED SPACE LEASE LOCATIONS

(Round Amounts to the Nearest Dollar)

REVENUE

Total drop.....	_____	
Less: Jackpots and machine fills (Other than initial fills).....	_____	
Win.....	_____	_____
Participation win (Where another SRO operates the location).....	_____	_____
TOTAL WIN (REVENUE).....	_____	_____

DIRECT OPERATING EXPENSES

Direct labor and payroll taxes.....	_____	
Gaming licenses & taxes - Nevada (Annual).....	_____	
Gaming licenses & taxes - Nevada (Quarterly).....	_____	
Gaming licenses & taxes - Nevada (Percentage).....	_____	
Gaming licenses & taxes - County.....	_____	
Gaming licenses & taxes - Local.....	_____	
Licenses & taxes - Other.....	_____	
Space lease expenses.....	_____	
Direct maintenance (parts and service).....	_____	
Vehicles, maintenance and fuel.....	_____	
Complimentaries.....	_____	
Other direct operating expenses.....	_____	
Total Direct Operating Expenses.....	_____	_____
OPERATING INCOME/(LOSS).....	_____	=====

STATE GAMING CONTROL BOARD
STANDARD FINANCIAL STATEMENTS
FOR
SLOT ROUTE OPERATORS

SCHEDULE B-4
INCOME STATEMENT
NONRESTRICTED PARTICIPATION LOCATIONS

(Round Amounts to the Nearest Dollar)

REVENUE

Total drop.....		
Less: Jackpots and machine fills (Other than initial fills).....		
Win before location share.....		
Less: Location's revenue share.....		
NET WIN (REVENUE).....		

DIRECT OPERATING EXPENSES

Direct labor and payroll taxes.....		
Gaming licenses & taxes - Nevada (Annual) - Route operator's share.....		
Gaming licenses & taxes - Nevada (Quarterly) - Route operator's share.....		
Gaming licenses & taxes - (Percentage) - Route Operator's share.....		
Gaming licenses & taxes - County - Route operator's share.....		
Gaming licenses & taxes - Local - Route operator's share.....		
Licenses and taxes - other.....		
Space lease expenses.....		
Direct maintenance (parts and service).....		
Vehicles, maintenance and fuel.....		
Complimentaries.....		
Other direct operating expenses.....		
Total Direct Operating Expenses.....		
OPERATING INCOME/(LOSS).....		

BUCKET SALES INFORMATION*

Cash received from "bucket sales".....		
Number of machines under "bucket sale" contracts.....		

*In some cases a portion of the above "net win" received by the operator may be percentage splits to be applied towards the purchase of slot machines sold by the operator. Indicate here the portion of net revenues received from "bucket sales", and the number of machines under bucket sales contracts.

STATE GAMING CONTROL BOARD
STANDARD FINANCIAL STATEMENTS
FOR
SLOT ROUTE OPERATORS

SCHEDULE B-5
INCOME STATEMENT
ALL OTHER OPERATING INCOME

(Round Amounts to the Nearest Dollar)

REVENUE

Slot machine sales (not including "bucket sales" at space lease locations or locations operated by the slot route operator).....	_____
Service and parts sales.....	_____
Other operating revenue.....	_____
Total Revenue from Non-slot Route Operations.....	_____

COST OF SALES

Cost of goods sold.....	_____
Cost of services and parts sales.....	_____
Other costs of sales.....	_____
Total Cost of Sales.....	_____
Gross Margin.....	_____

DIRECT OPERATING EXPENSES

Direct labor and payroll taxes.....	_____
Licenses and taxes.....	_____
Direct maintenance (parts and service).....	_____
Vehicles, maintenance and fuel.....	_____
Complimentaries.....	_____
Other direct operating expenses.....	_____
Total Direct Operating Expenses.....	_____
OPERATING INCOME/(LOSS).....	=====